



STATE OF DELAWARE  
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# PRESS RELEASE

*State Auditor R. Thomas Wagner, Jr. releases an audit of DelDOT's use of consultants for the period ending June 30, 2010.*

## **Why We Did This Review**

The Office of Auditor of Accounts (AOA) conducted a performance audit of Statewide Consulting Contracts. This press release pertains to the Department of Transportation (DelDOT) for the State of Delaware's use of consultants for the period of July 1, 2009 through June 30, 2010.

## **DelDOT's Professionalism**

Throughout the course of the audit, DelDOT staff were very cooperative, provided insightful information through interviews and survey responses, and showed a vested interest in the agency's success, which contributed to the effectiveness of the audit.

## **Background**

DelDOT's mission is to provide a safe, efficient, and environmentally-sensitive transportation network that offers a variety of convenient, cost-effective opportunities for the movement of people and goods. DelDOT utilizes consultants to supplement its in-house workforce on capital projects and to carry on its mission.

## **How is Delaware Using Consultants? A Look into the Department of Transportation**

### **What We Found**

- More than \$32 million of expenditures were improperly classified as consulting expenditures due to the limitations of the State's accounting system.
- DelDOT's policies and procedures are not updated to reflect improvements in current processes.
- DelDOT does not have a policy to explain the expectations and responsibilities of project managers.
- DelDOT does not have a formal process to analyze trends in budget overruns or time delays.
- We did not find evidence that ineffective monitoring of consultants caused the Indian River Inlet Bridge errors.
- DelDOT management has not communicated the availability of resources to design consultants, which could result in noncompliance with standards or mistakes.
- Project managers are not effectively documenting consultant evaluations.
- DelDOT is paying excessive overhead rates to consultants due to federal restrictions.
- One employee earns over \$100 thousand per year in the same job he held prior to retirement, and collects a State of Delaware pension.
- DelDOT lacks a time tracking mechanism to monitor productivity of the staff and the amount of time spent on each project.
- 11% of invoice payments reviewed were not paid timely and payments were made to four vendors who were delinquent on their State of Delaware taxes.
- DelDOT does not have an outside employment policy to monitor collusion with vendors or time theft.
- Various weaknesses in the State's accounting system, including the inability to record project specific information, does not allow for efficient monitoring or recording of consulting expenditures.
- There is not a formal DelDOT or Statewide process for determining whether a vendor has been federally debarred.

A complete copy of the report can be found at [Delaware Department of Transportation - How is Delaware Using Consultants? - June 30, 2010 - Issued 10/25/2011](#). For more information, please contact Kathleen O'Donnell, CPA-PA, CISA, CGFM, CGAP, Chief Administrative Auditor, for questions at 302-857-3919 or [Kathleen.Odonnell@state.de.us](mailto:Kathleen.Odonnell@state.de.us).